

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 26, 2023

Company name: SHINKO ELECTRIC INDUSTRIES CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6967 URL <https://www.shinko.co.jp>  
 Representative: Representative Director of Board, President Susumu Kurashima  
 Inquiries: General Manager, Corporate Planning Div. Takahiro Kiyono TEL 026-283-1000  
 Scheduled date to file Quarterly Securities Report: November 13, 2023  
 Scheduled date to commence dividend payments: November 29, 2023  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	105,109	(33.1)	11,470	(77.5)	14,073	(74.2)	9,780	(74.2)
Six months ended September 30, 2022	157,005	24.7	50,952	69.5	54,649	73.2	37,873	74.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	72.39	—
Six months ended September 30, 2022	280.34	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	389,575	258,541	66.4
As of March 31, 2023	386,934	251,014	64.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	—	25.00	—	25.00	50.00
Year ending March 31, 2024	—	25.00	—	—	—
Year ending March 31, 2024 (Forecast)	—	—	—	25.00	50.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	230,000	(19.7)	35,000	(54.4)	35,000	(55.6)	24,000	(56.0)	177.63

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	135,171,942 shares	As of March 31, 2023	135,171,942 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	54,430 shares	As of March 31, 2023	65,449 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	135,110,828 shares	Six months ended September 30, 2022	135,096,478 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	116,325	99,669
Notes and accounts receivable - trade, and contract assets	62,356	60,420
Merchandise and finished goods	10,397	7,128
Work in process	13,755	13,806
Raw materials and supplies	11,014	8,300
Other	12,231	11,351
Allowance for doubtful accounts	(6)	(6)
Total current assets	226,075	200,670
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	37,885	49,521
Machinery, equipment and vehicles, net	45,434	41,928
Tools, furniture and fixtures, net	3,184	3,561
Land	7,687	7,892
Construction in progress	59,876	79,353
Total property, plant and equipment	154,068	182,257
Intangible assets	876	999
Investments and other assets		
Investment securities	48	51
Retirement benefit asset	2,005	2,106
Deferred tax assets	3,446	3,050
Other	419	445
Allowance for doubtful accounts	(8)	(7)
Total investments and other assets	5,912	5,647
Total non-current assets	160,858	188,904
Total assets	386,934	389,575

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	24,565	26,891
Short-term borrowings	30,000	30,000
Accounts payable - other	13,483	16,325
Income taxes payable	12,073	3,654
Accrued expenses	10,245	10,350
Contract liabilities	41,535	39,140
Other	1,642	2,396
<b>Total current liabilities</b>	<b>133,545</b>	<b>128,758</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	1,847	1,856
Other	526	420
<b>Total non-current liabilities</b>	<b>2,374</b>	<b>2,276</b>
<b>Total liabilities</b>	<b>135,919</b>	<b>131,034</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	24,223	24,223
Capital surplus	24,173	24,222
Retained earnings	203,882	210,285
Treasury shares	(74)	(61)
<b>Total shareholders' equity</b>	<b>252,205</b>	<b>258,668</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1	2
Deferred gains or losses on hedges	14	(60)
Foreign currency translation adjustment	(612)	384
Remeasurements of defined benefit plans	(594)	(454)
<b>Total accumulated other comprehensive income</b>	<b>(1,190)</b>	<b>(127)</b>
<b>Total net assets</b>	<b>251,014</b>	<b>258,541</b>
<b>Total liabilities and net assets</b>	<b>386,934</b>	<b>389,575</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	157,005	105,109
Cost of sales	98,349	86,639
Gross profit	58,656	18,469
Selling, general and administrative expenses	7,703	6,998
Operating profit	50,952	11,470
Non-operating income		
Interest income	115	358
Compensation income	45	599
Foreign exchange gains	3,458	1,451
Other	113	239
Total non-operating income	3,733	2,648
Non-operating expenses		
Interest expenses	32	33
Other	4	12
Total non-operating expenses	36	46
Ordinary profit	54,649	14,073
Extraordinary losses		
Loss on retirement of non-current assets	627	628
Total extraordinary losses	627	628
Profit before income taxes	54,022	13,444
Income taxes - current	16,054	3,338
Income taxes - deferred	94	325
Total income taxes	16,149	3,664
Profit	37,873	9,780
Profit attributable to owners of parent	37,873	9,780

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	37,873	9,780
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	1
Deferred gains or losses on hedges	60	(74)
Foreign currency translation adjustment	1,140	996
Remeasurements of defined benefit plans, net of tax	126	139
Total other comprehensive income	1,327	1,063
Comprehensive income	39,200	10,843
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	39,200	10,843
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	54,022	13,444
Depreciation	16,248	12,928
Increase (decrease) in retirement benefit liability	(185)	(91)
Interest and dividend income	(119)	(362)
Interest expenses	32	33
Foreign exchange losses (gains)	(604)	(429)
Loss on retirement of property, plant and equipment	627	628
Decrease (increase) in trade receivables	(2,635)	3,245
Decrease (increase) in inventories	(7,382)	6,068
Increase (decrease) in trade payables	(3,747)	798
Increase (decrease) in accrued expenses	(281)	44
Increase (decrease) in contract liabilities	25,493	(2,395)
Other, net	(4,794)	1,366
Subtotal	76,673	35,279
Interest and dividends received	119	365
Interest paid	(32)	(33)
Income taxes refund (paid)	(18,897)	(11,424)
Net cash provided by (used in) operating activities	57,862	24,186
Cash flows from investing activities		
Payments into time deposits	(665)	(778)
Proceeds from withdrawal of time deposits	395	675
Purchase of property, plant and equipment	(30,274)	(38,197)
Purchase of intangible assets	(138)	(230)
Other, net	(612)	(427)
Net cash provided by (used in) investing activities	(31,296)	(38,959)
Cash flows from financing activities		
Dividends paid	(3,714)	(3,377)
Other, net	(48)	(52)
Net cash provided by (used in) financing activities	(3,763)	(3,430)
Effect of exchange rate change on cash and cash equivalents	1,839	1,390
Net increase (decrease) in cash and cash equivalents	24,641	(16,811)
Cash and cash equivalents at beginning of period	68,758	115,592
Cash and cash equivalents at end of period	93,399	98,780